

Chapter 10

Undelivered Orders

10-1. General

Undelivered orders are obligations for goods or services for which the payable is not yet accrued. (That is, delivery of the item or service has not occurred.)

10-2. Professional requirements

Accountants will be familiar with--

- a. The rules of obligation, accrual accounting procedures, and the various receiving/completion documents that affect the status of an obligation.
- b. Contracting/procurement practices which aid in evaluation of the validity of undelivered orders.

10-3. Responsibilities

The finance and accounting officer/defense accounting officer and the accountant are responsible for developing a review of unliquidated obligations (ULOs). This review will include identifying undelivered orders and determining if the delivery of goods or services are overdue, already received but incorrectly recorded or, invalid due to cancellation or contractor/supplier default.

10-4. Control of undelivered orders

Maintain control of undelivered orders as a subset of the unliquidated obligation records. Report undelivered orders as part of the standard general ledger and status reports. Cancel direct and reimbursable undelivered orders during post-closing when an appropriation closes.

10-5. Defense Contract Management Office (DCMO) administered contracts

Defense Contract Management Area Offices (DCMAOs) provide accrual data, on contracts they administer, directly to DFAS-Indianapolis Center, ATTN: DFAS-IN/ABA, 8899 East 56th Street, Indianapolis, IN 46249-1316. DFAS-IN will adjust the DA level reports to reflect these accruals. Report these obligations as undelivered orders until the disbursement is recorded.